

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

AMERICAN INTERNATIONAL
GROUP, INC., et al.,

Plaintiffs,

v.

ACE INA HOLDINGS, INC., et al.,

Defendants.

LIBERTY MUTUAL INSURANCE
COMPANY, et al.,

Counter-Claimants,

v.

AMERICAN INTERNATIONAL
GROUP, INC., et al.,

Counter-Defendants.

SAFECO INSURANCE COMPANY OF
AMERICA, et al.,

Plaintiffs,

v.

AMERICAN INTERNATIONAL
GROUP, INC., et al.,

Defendants.

Case No. 07 CV 2898

Judge Robert W. Gettleman

Magistrate Judge Sidney I. Schenkier

Case No. 09 CV 2026

Judge Robert W. Gettleman

Magistrate Judge Sidney I. Schenkier

**AIG'S RESPONSE IN SUPPORT OF SETTLEMENT
CLASS REPRESENTATIVES' RULE 24
MOTION TO INTERVENE AND REQUEST
FOR STAY OF RULING ON CLASS CERTIFICATION**

Defendants American International Group, Inc., and various of its current and former subsidiaries (collectively, "AIG"), hereby respectfully submit their response in support of the Settlement Class Representatives' Rule 24 Motion to Intervene and Request for Stay of Ruling on Class Certification (the "Settlement Motion"). In support, AIG states as follows:

1. AIG supports the issuance of the relief requested in the Settlement Motion.
2. AIG and the Settlement Class Representatives have executed a Settlement Term Sheet outlining a proposed global settlement that they believe is fair, reasonable and in the best interests of all parties. If the proposed settlement is approved by the Court and none of the proposed class members opts out, the proposed settlement will resolve this litigation in its entirety. However, even if the current uncertified Litigation Class Representatives and/or others were to opt out of the proposed settlement, this litigation would still be significantly reduced in scope and the burden on the Court and the remaining parties would be lessened accordingly.
3. The current uncertified Litigation Class Representatives have made clear their opposition to key terms reflected in the Settlement Term Sheet. Thus, if intervention is denied, then AIG and the Settlement Class Representatives will not be able to present the proposed settlement to the Court, the Court will be denied the opportunity to assess the merits of the proposed settlement, and the parties to the litigation will lose the chance to participate in the proposed settlement.
4. The request in the Settlement Motion that the Court stay its ruling on the pending motion for class certification is also appropriate. A ruling on that motion could upset the balance underlying the terms of the proposed settlement and make it much more difficult, or even

impossible, to achieve a settlement in the near future. Further, regardless of the outcome of the Court's ruling on the class certification motion, it is inevitable that one side will seek an interlocutory appeal of the Court's class certification decision, which will cause additional delay and further diminish the opportunities to settle this suit.

5. Thus, to foster settlement, conserve judicial resources, reduce litigation costs and serve the public interest, AIG respectfully requests that the Court grant the Settlement Motion in its entirety.

WHEREFORE, AIG respectfully requests the entry of an order granting Settlement Class Representatives' Rule 24 Motion to Intervene and Request for Stay of Ruling on Class Certification and granting such other and further relief as is appropriate.

AMERICAN INTERNATIONAL GROUP,
INC., et al.,

By: /s/ Rebekah H. Parker
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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that she served a copy of the foregoing **AIG's Response In Support Of Settlement Class Representatives' Rule 24 Motion To Intervene And Request For Stay Of Ruling On Class Certification** by causing copies to be sent by U.S. District Court CM/ECF e-filing system on the 6th day of January, 2011.

/s/ Rebekah H. Parker